

## SEMINOLE COUNTY GOVERNMENT AGENDA MEMORANDUM

**SUBJECT:** Presentation by Affordable Housing Advisory Committee (AHAC) Regarding Priority Recommendations.

**DEPARTMENT:** Community Services

**DIVISION:** Community Assistance

**AUTHORIZED BY:** Michele Saunders

**CONTACT:** Buddy Balagia

**EXT:** 2389

**MOTION/RECOMMENDATION:**

Consider the recommendations of the Affordable Housing Advisory Committee (AHAC) for adoption by March 31, 2009 as County policy to lower the cost and/or enhance the development of affordable housing for lower income households.

County-wide

Buddy Balagia

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**BACKGROUND:**

The function of the Seminole County Affordable Housing Advisory Committee (AHAC) is to recommend incentives, both monetary and non-monetary, for affordable housing production to meet the housing needs (i.e., market demand) of existing and future residents. The AHAC approached the Seminole County Board of County Commissioners (Board) on December 9, 2008 to present a comprehensive list of recommendations to achieve this goal.

The Board requested that the AHAC return with a prioritized list of recommendations, accompanied by projected costs, that it could consider for adoption. According to the SHIP Program regulations, the Board has until March 31, 2009 to make any such changes, for reporting to the Florida Housing Finance Corporation by May 2, 2009.

The AHAC recommendations are included with this Agenda Memorandum along with staff comments on each of the proposed recommendations.

**STAFF RECOMMENDATION:**

Consider the recommendations of the Affordable Housing Advisory Committee (AHAC) for adoption by March 31, 2009 as County policy to lower the cost and/or enhance the development of affordable housing for lower income households.

**ATTACHMENTS:**

1. Recommendations
2. Staff Comments

**Additionally Reviewed By:**

☒ County Attorney Review ( Arnold Schneider )

## **Seminole County Affordable Housing Advisory Committee**

The function of the Seminole County Affordable Housing Advisory Committee (AHAC) is to recommend incentives, both monetary and non-monetary, to provide incentives for affordable housing production to meet the housing needs (i.e., market demand) of existing and future residents. The AHAC approached the Seminole County Board of County Commissioners on December 9, 2008 to present a comprehensive list of recommendations to achieve this goal. The Board requested that the AHAC return with a prioritized list of recommendations it could consider for adoption. According to the SHIP Program regulations, the Board has until March 31, 2009 to make any such changes for reporting to the Florida Housing Finance Corporation by May 2, 2009.

The following prioritized policies are recommended to the Board by the AHAC for furthering the development, provision, and preservation of affordable housing in Seminole County. The only two policies that are required by the State to be in place were adopted years ago. The following recommendations are optional, but are strongly encouraged by the AHAC for adoption to reduce the cost of either providing or maintaining affordable housing for Seminole County's lower income households.

### **1. Public-Private Partnerships**

The County shall facilitate the establishment of collaborative partnerships between the County, developers, community, service providers, and nonprofit agencies.

Estimated Cost to County: \$0

### **2. LEED Certified Energy Efficiency**

The County shall encourage and promote LEED-Certified Energy Efficiency development in all affordable housing.

Estimated Cost to County: \$0

### **3. Density Flexibility - Zoning Changes**

The County shall assign a technical adviser that could expedite the rezoning process to reduce the amount of time it takes to obtain the R-AH (or similar) zoning classification.

Estimated Cost to County: \$0

### **4. Mentoring - Technical Training**

The County shall provide technical training to nonprofit agencies and developers who provide affordable housing.

Estimated Cost to County: \$0

### **5. Employer Assisted Housing - Leverage Private Employers**

The County shall participate in a private employer-assisted housing program by matching 1:3, up to a maximum of \$2,500 in County contribution. A maximum of \$50,000 in funds shall come from the annual SHIP allocation for lower income

households, including moderate income households (with incomes of up to 120% of the area median income).

Estimated Cost to County: \$0 in General Funding; only SHIP set-aside

**6. Impact Fee Waivers or Modifications - Reduction of fees or Waivers**

In urban high density areas where an existing infrastructure is being utilized, the County will consider reducing or rebating impact fees for senior and affordable housing through a waiver or exemption.

Estimated Cost to County: Only SHIP Program set-aside; no GR funds.

**7. Impact Fee Waivers or Modifications - Reduction of fees or Waivers**

In calculating impact fees which would reduce, subsidize or exempt impact fees for residential dwelling units ("DU"), the County will create additional designations that could be added to the existing structured fee schedule based on the type of residential dwelling unit, i.e., educational system impact fees, single family, multi family, disabled, senior, or mobile home.

Estimated Cost to County: Only SHIP Program set-aside; no GR funds.

**8. Linkage Fee Program**

The County shall explore further whether to adopt or create a Linkage Fee for the affordable housing program to fund a land bank.

Estimated Cost to County: \$0

## **Seminole County Affordable Housing Advisory Committee**

### **Recommendations with Staff Comments**

The following policies are recommended to the Board by the AHAC for furthering the development, provision, and preservation of affordable housing in Seminole County. The only two policies that are required by the State to be in place were adopted years ago. The following recommendations are optional, but are strongly encouraged by the AHAC for adoption to reduce the cost of either providing or maintaining affordable housing for Seminole County's lower income households.

Staff comments appear in red, and detail why the policy can or cannot work, or how it may be modified to be effective.

#### **Public-Private Partnerships**

The County shall facilitate the establishment of collaborative partnerships between the County, developers, community, service providers, and nonprofit agencies.

*Staff comment: The County's Community Development Office currently works closely with numerous (e.g.) for-profit, nonprofit, and quasi-public developers, housing service providers, housing agencies, city governments, and other agencies to develop housing assistance programs, construct or rehabilitate housing, and otherwise provide assistance to lower income households to make housing affordable. Funding is currently provided by the Board of County Commissioners on an annual basis to one or more housing assistance agencies, from both the General Fund and from various grant programs, to provide housing assistance, rehabilitate existing housing, to construct new housing for lower income households, to house homeless individuals and families, and/or to prevent homelessness.*

#### **LEED Certified Energy Efficiency**

The County shall encourage and promote LEED-Certified Energy Efficiency development in all affordable housing.

*Staff comment: The cost of LEED-Certified amenities and improvements versus long-term savings should be considered either on a standard typical unit or on a case-by-case basis as developed (i.e., how long would it take to pay for itself?). Some builders estimate that LEED construction adds only 4-5% to building costs. However, other programs may be equally as effective.*

#### **Density Flexibility - Zoning Changes**

The County shall assign a technical advisor that could expedite the rezoning process to reduce the amount of time it takes to obtain the R-AH (or similar) zoning classification.

*Staff comment: Although there is no one ombudsman-type staff person or "one-stop shop" within the County for this purpose, any builder/developer may approach one or more of particular personnel, including certain staff persons in the Planning Division, the Development Review Division, or the Community Assistance Division for a wealth of*

information and guidance on this process, and to fill the role of a technical advisor. These divisions work well together in various ways to maintain up-to-date information. Incidentally, no new R-AH zoning classifications will be allowed after the Land Development Code is updated and another mixed-use zoning classification is being introduced to allow for more flexible housing development.

### **Mentoring - Technical Training**

The County shall provide technical training to nonprofit agencies and developers who provide affordable housing.

*Staff comment: As part of its monitoring efforts, and any time upon request, the County currently offers on-site (and telephone) training, guidance, and technical assistance in its various housing assistance programs, and also notifies applicable agencies when HUD- and State-provided training is available. The County recently mentored one developer to become a Community Housing Development Organization (a CHDO, who is eligible to receive HOME Program set-aside funding), and another is being mentored. Also, the Housing Nonprofit Roundtable could be reinstituted on a quarterly basis to provide a forum for networking, idea-sharing, questions, etc.*

### **Employer Assisted Housing - Leverage Private Employers**

The County shall participate in a private employer-assisted housing program by matching 1:3, up to a maximum of \$2,500 in County contribution. A maximum of \$50,000 in funds shall come from the annual SHIP allocation for lower income households, including moderate income households (with incomes of up to 120% of the area median income).

*Staff comment: This would entail setting aside funding from the annual SHIP allocation specifically for this purpose (no General Revenue funds).*

### **Impact Fee Waivers or Modifications - Reduction of fees or Waivers**

In urban high density areas where an existing infrastructure is being utilized, the County will consider the feasibility of reducing or rebating impact fees for senior and affordable housing through a waiver or exemption.

*Staff comment: Due to bond covenants in financing capital improvements related to housing and commercial development, impact fee reductions or partial waivers are not currently allowed. This is true even in areas with existing infrastructure; since impact fees pay for capacity (development pays for the expansion of facilities after the fact by paying off the bond). (Dedicated senior developments are currently allowed exemptions from school impact fees only.) General Fund rebates are currently used for affordably homebuyer priced units, and an expansion of these might be more reasonable, assuming adequate funding is available (funding is severely limited since Amendment 1, adopted in January 2008). The County offers up to 50% rebates on impact and water/sewer connection fees on new housing priced at affordable levels. The funding appropriation is approximately \$20,000 per year and has not been widely used (no applications have been made at all in the past approximately three years). Also, please note that these rebates are offered on **affordably priced units**, not necessarily units that are actually **occupied** by lower income households, due to monitoring concerns*

*(staff time and resources). It is recommended that, if any such rebates are funded for elderly or affordable units, that those units be required to remain dedicated to those purposes (i.e., elderly or low income occupants for a minimum period). This raises monitoring concerns in that adequate staff would need to be dedicated to ensuring that initial and subsequent occupants are income-eligible during the affordability period.*

#### **Impact Fee Waivers or Modifications - Reduction of fees or Waivers**

In calculating impact fees which would reduce, subsidize or exempt impact fees for residential dwelling units ("DU"), the County will create additional designations that could be added to the existing structured fee schedule based on the type of residential dwelling unit, i.e., educational system impact fees, single family, multi family, disabled, senior, or mobile home.

*Staff comment: Due to bond covenants in financing capital improvements, exemptions, waivers, or reductions are not currently allowed. Rebates are currently used, and an expansion of these might be more reasonable, assuming adequate funding is available. Any type of fee subsidy should perhaps be limited to bona-fide and dedicated affordable housing, i.e., housing whose occupancy is restricted to lower income households for a defined minimum period. Again, this raises monitoring concerns, in that adequate staff would need to be dedicated to ensuring that initial and subsequent occupants are income-eligible during the affordability period.*

#### **Linkage Fee Program**

The County shall explore further whether to adopt or create a Linkage Fee for the affordable housing program to fund a land bank.

*Staff comment: The City of Winter Park has such a program. Other similar programs in Florida or elsewhere can be researched, assessed for local acceptability (does it affect construction wages, construction costs, commercial/industrial rents/prices, and/or construction activity?) and efficiency (would it generate sufficient funding for affordable housing linked to job creation?), and modified (voluntary? non-residential only?). A linkage fee can be generated by non-residential development (and therefore tied to job creation), or by all development (including residential), and possibly with specific exemptions (e.g., dedicated affordable housing). The HBA or other interested parties should perhaps be contacted for an opinion.*